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From Welfare to Work: Is It Feasible in California?

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# **FROM WELFARE TO WORK: IS IT FEASIBLE IN CALIFORNIA?**

**Rosina Becerra**

## **Introduction**

Early in American history many acknowledged that when aid was needed it should be given only as temporary support to “tide people over” rather than being a permanent measure. Along with a temporary emphasis, was the view that aid should move quickly from direct relief to work relief. This was not merely a legislative priority but articulated as a central theme in relief giving. Individuals were held accountable for their circumstances and expected to change their economic situation through hard work. Relief was not to be readily given to the poor because it was believed it would serve to encourage deviant behavior and decrease incentive to work. The basis of relief giving policies was embedded in the prevailing ideology about work as a necessary condition for public assistance.<sup>1</sup> This sentiment has remained a theme of welfare policy over time.

## **Early History**

In the early decades of the twentieth century the United States shifted from a mainly agrarian to an industrial economy. This shift created massive political, economic, and social havoc for many people. Although there were prominent themes of unlimited opportunity, in reality the 1920s were marked with economic insecurity as unemployment ranged from 5-13%.<sup>2</sup> By the 1930s, the depression hit and created a need for assistance among more people than could be assisted by community charity. Federal government support was required to assist in meeting short term needs. Aid to Families with Dependent Children (AFDC) was one program developed as part of the Social Security Act of 1935 to assist widowed women and their children who had no other means of support. At that time, women were not expected to work but rather to remain at home to care for the children. Thus, widowed women needed public support in order to avoid placing children in poverty. It was accepted that these women would not work. During the first twenty-five years of AFDC the federal government discouraged states from requiring individuals to perform work in return for aid.<sup>3</sup> As the characteristics of the recipients of AFDC began to change after WWII and the economy improved, the public view also changed. The AFDC caseload was increasingly separated, divorced, or never-married women and increasingly African American. African Americans were moving into the urban areas from their rural homes seeking jobs and many were unable to find employment and sought financial support through AFDC. The view that public assistance should be temporary and that adults should work to support their families, even women with children, again became the prevailing ideology.

As the recipient population changed and two-parent unemployed families (AFDC-UP) were also given eligibility for aid under this program, the work theme was further increased through amendments to the original Social Security legislation. The 1967 amendments established work incentives and work programs for AFDC recipients. Beginning with these amendments, all able-bodied AFDC recipients, including mothers with school age children (6 years or older), were required to register for manpower services under the Work Incentive Program (WIN). This mandatory act ended the woman's role of staying home with her dependent children as seen in previous decades.<sup>4</sup> WIN's specific program objectives were to find jobs or on-the-job training for employable AFDC recipients, provide training and counseling for those whose employment potential could be improved, and set up special projects in public or non-profit agencies to provide temporary employment for persons who were otherwise judged unemployable. WIN, however, failed to achieve its goals because it was too costly, operated with administrative flaws, and offered inadequate child care services.<sup>5</sup>

### **Changing Attitudes**

Over the course of two decades, AFDC mothers became viewed as dependent adults who needed to receive pressure to enter the labor force. In the mid 1960s the addition of social services to the cash assistance became the most direct manner to help families become self-supporting. By the end of the 1960s, AFDC had changed from a program which helped single mothers stay home with their children into a mandatory work program.

By 1985, political support for AFDC declined. President Reagan continued to express his wishes to reform welfare through further decentralization of the federal role in welfare administration in the hope to quell the federal deficit. His plan was to allow the states to design, implement, and subsidize workfare programs. Multiple public reports were released that showed that great numbers of the AFDC population were long-term recipients, single never-married mothers, and increasingly, poor children. The mood of the nation, the business arena and much of the political agenda focused on fervently forcing the AFDC recipient into the labor force.

In 1988 the Family Support Act (FSA) was passed with the mandate that "even poor parents must take responsibility for the financial support of both dependent children and themselves....".<sup>6</sup> Among the most noted aspect of the FSA was the establishment of the welfare-to-work program, Job Opportunities and Basic Skills (JOBS). JOBS legislation included transitional child care and Medicaid programs for recipients who left aid because of employment, mandated improvements in child support enforcement programs, and made AFDC-UP mandatory in all states. The JOBS program, which was central in the development of workfare, was designed to move welfare recipients off of

welfare and into the job market. This program, however, was underfunded and only a small proportion of welfare recipients participated.

### **Welfare Under The Clinton Administration**

In 1992, President Clinton further encouraged states to experiment with designing innovative programs that would facilitate welfare recipients to move into the work force. Most of these programs which were developed through a federal waiver<sup>7</sup>, implemented a combination of financial incentives, mandatory education and work training programs, and time limits as programmatic elements to test their effectiveness in moving recipients from welfare to work. The Personal Responsibility and Work Opportunity Act (PRWORA), signed into law on August 22, 1996, incorporated all of these programmatic elements and many others. PRWORA has as its central premise that all adults must take personal responsibility for their circumstances and should support themselves and their families through paid employment. This belief that all individuals should be self-sufficient and not dependent on public assistance, at least not for prolonged periods of time, continues as a strongly held value of American society. Many of these innovative programs were already implemented at the time that PRWORA was enacted. Thus, the continued theme of work as the key component of welfare reform was central to the legislation.

PRWORA includes Temporary Assistance to Needy Families (TANF), a block-granted program that replaces AFDC and mandates that recipients not exempt from the work requirements<sup>8</sup>, must be employed or engaged in a work activity<sup>9</sup> after two years of assistance. Additionally, there is a five year lifetime limit for TANF reciprocity. Moreover, states must meet specific participation employment rate quotas to continue to receive their full block grants from the federal government or be sanctioned a percentage of their next year's block grant allocation.

This legislation assumes that there are labor market opportunities available to most welfare recipients. The premise is that many AFDC families have become too dependent on welfare and that limiting the time an individual can be on aid will change behavior. The implementation of a time limit for receiving cash assistance suggests that welfare dependency as a way of life is learned behavior. The underlying assumption is that there are plenty of jobs for welfare recipients who want them--jobs that will enable a family to be financially self-sufficient.

### **California Legislation**

On August 11, 1997, California Governor Pete Wilson signed welfare reform legislation, implementing the guidelines as outlined in PRWORA. This legislation

(AB1542) creates a new program known as CalWORKS (California Work Opportunity and Responsibility for Kids), which will replace the state's AFDC and GAIN programs. Elements of that bill include aid for a parent or caretaker adult limited to 60 cumulative months, with defined exceptions of those unable to participate in welfare to work activities, employment training services limited to 24 months for those currently on aid or 18 months for new applicants, to begin on January 1, 1998. Work activities begin at 20 hours per week (up to 32 at county option), go to 26 hours per week on July 1, 1998, and to 32 hours per week on July 1, 1999. Unpaid community service in the public or private nonprofit sector can be assigned after the 18-24 month period for those for whom a job is not available (has done all can to apply), until the five year time limit is reached. The county governments will have increased discretion and authority in implementation of CalWORKS. To facilitate meeting work participation rates current workfare programs are expanding and additional programs are being created for recipients to assist them to move into the workforce within the two year time limit as a condition for receiving benefits.

The issue for California is whether it can readily employ welfare recipients who will need jobs as a result of time limits. What are the issues facing California? What are the characteristics of California's welfare recipients and are they employable? What is the job availability and job match for welfare recipients? What are their employment prospects and barriers? What policies will be needed to not only provide jobs but to make work pay?

## **The Characteristics of California Welfare Recipients**

California supports 17% of the nation's AFDC population. Table 1 shows the breakdown of those cases. According to the TANF rules, by October 1, 1997 California must demonstrate that 25% of its total caseload is engaged in a work activity as defined by the legislation and, specifically, that 75% of the two-parent AFDC families have been moved off the rolls and are engaged in a work activity as defined in TANF. This suggests that approximately 200,000 adults must have left aid or be working by the beginning of fiscal year 1997. Additionally, single parent families must be engaged in work activities at least 20 hours per week. These work participation rates increase over the next several years. Additionally, these guidelines are minimum standards and the states may institute stricter rules. In this case, approximately 140,000 single parents, primarily women, on welfare will have to be moved to work or a work activity. The focus is on single parent families because they represent about 82% of the welfare rolls and are predominately single mothers. The underlying premise of the legislation is that most welfare recipients are employable or can be made employment ready within the two year time frame when TANF assistance would terminate.

## **Correlates of Work**

Certain characteristics facilitate participation in paid work. These correlates of work include having marketable skills and/or an educational background that helps the learning of skills. Having a previous work history enhances the understanding of the work environment and its expectations. Even with these important characteristics, the health status of the individual mediates the extent to which one can work. Other factors may include English language ability and the need for supportive services such as child care. With respect to welfare recipients, length of time on aid can also be a mitigating factor. The following discussion will examine those correlates of work among California welfare recipients that may assist or hinder their access to the labor market. The discussion is based on data from a telephone survey of welfare recipients selected from four counties in 1994 (Alameda, Los Angeles, San Bernardino, and San Joaquin).<sup>10</sup>

## **Demographics**

In general about 45% of welfare recipients are Latinos, 26% African American, 18% white non-Hispanic and 11% are members of other groups. Seventeen percent of welfare cases are two-parent families. Table 2 shows that the mean age of these female respondents is 33. Almost one-half of these respondents have never been married. The never-married group ranges from 33% of white non-Hispanics to nearly 63% of African-Americans. While fewer than one out of five reported being currently married, Latinos are most likely to be currently married (19%). In general, there are 2.6 children per family with white non-Hispanics having the fewest children (2.1) and Latinos having the most children per family (2.9).

## **Education**

Mean years of schooling was 10.3 years. Latinos had the lowest number of years of schooling with 8.7 years, an average of less than a junior high school education. The higher mean educational levels among African-Americans, white non-Hispanics and other groups indicate a greater proportion of high school graduates among these groups. Among Latinos, 60.5% are foreign-born, primarily from Mexico. The lower educational rate is partially accounted for by the foreign-born group, however even among American born Latinos not on welfare, the mean educational level is lower than that for African American and whites.

## **Health Status**

Perhaps one of the main ingredients in moving into work is the capacity to perform work activities. This is closely related to one's health since poor health can prevent participating in certain types work or eliminate working altogether. Almost one-

half of all recipients reported having health problems severe enough to perceive their health as fair to poor. The largest group reporting poor health were Latinos (53%) followed by African Americans (43%) and white non-Hispanic (34%). About one out of four viewed their health as limiting their ability to work. African Americans were more likely to have a health condition that limited work participation while Latinos were less likely to report a limiting health condition even though they were more likely to report poor health. African Americans were also more likely to report having a child with a limiting health condition. Having a child with a health condition can also hinder employment because a child with health problems may need special care. The recipients in general reported a higher than average number of children with limiting health conditions.

### **Language**

Latinos and Southeast Asians are more likely to include immigrants who are primarily monolingual in their own languages. The ability to speak English can be a factor in obtaining employment and may limit the type of employment available to them.

### **Work History**

There are a combination of factors that influence the transition from welfare to work. One of the most important predictors, of course, is whether the recipient has ever worked previously, that is, has a work history. An understanding of what is expected in the work place and the ability to interact well with co-workers is also important preparation for participating in the work culture. In general, almost all welfare recipients work or have worked in their lifetime. Even as welfare recipients, many work a few hours a week without losing their AFDC eligibility because of the limited work hours and limited wages earned. Table 2 shows that few welfare recipients have never worked. What may be a factor against immediate employment is the amount of time on aid. A large proportion have been on aid continuously since first receiving aid. Long term welfare reciprocity can slow the transition into work since both work skills and work behavior often must be relearned. On average, those who have worked more recently have a higher probability of leaving aid more quickly.

### **The Cycle**

Recipients cycle on and off aid over a lifetime. When those who have been on aid and had left it at some time in their aid history were asked the reason for leaving aid, the majority indicated that it was because they or their spouse/partner (two parent cases) had gotten a job. This suggests that the primary reason for leaving aid for any group is because the primary wage earner was able to get a job that paid a sufficient wage, at least in the short run, to move off of aid. While marriage or other financial support are also

reasons for leaving aid, they are not as important as getting a job that provides enough earnings to leave aid. Thus work is the primary impetus for leaving AFDC.

In sum, fair to poor health status, with limiting health conditions, generally low educational levels, limited work history and long spells on aid, all are characteristics that are more likely to be descriptive of the typical welfare recipient. These characteristics vary to some degree by ethnic group, and it is clear that some groups will be at a greater disadvantage than others because of their more severe health conditions, larger families, longer periods of time on aid, and limited work histories. While these are difficult conditions to change, they are not insurmountable if there are jobs available from which they can begin to build the skills and work history necessary to achieve self-sufficiency. Moreover, these descriptors do not apply to all welfare recipients and many need only supportive services to assist them in making the welfare-to-work transition.

### **The Availability of Jobs<sup>11</sup>**

Currently California is experiencing strong economic growth. The unemployment rate dropped to around 6% by summer 1997, still above the national rate. California's economic boom came after a severe recession that resulted in the loss of millions of jobs at the turn of the decade. These job losses were partly a result of federal defense plants and aerospace closures as well as permanent downsizing in other industries. But the recovery, was not shared by all. Many Californians remain unemployed or out of the workforce.

### **Employment Projections**

According to the reports issued by the state's Employment Development Department, it is expected that total nonfarm wage and salary employment for California will increase by about 3,227,600 jobs between 1993 and 2005. Employment in the year 2005 is expected to grow by 26.8% over the 1993 level. This growth rate, however, will not be uniform across all industries. And the question remains of whether there is a match between welfare recipients who will need to move off of welfare within the next two years.

Table 3 shows the major occupations and industries worked in by the welfare recipients surveyed. Most of the respondents' jobs have been in sales, clerical, services and machine operators. A larger proportion of Latinos have been machine operators than either white non-Hispanics or African Americans. White non-Hispanic recipients are more likely to be in sales and clerical work that require meeting the public while African Americans are more likely to have worked in professional and related services. The major industries are retail trade, professional and related services, and construction and manufacturing.



New jobs in the construction industry are expected to increase. Much of this increase, however, will be in the demand for those with special trades such as carpentry and floor work, electrical work, concrete work and others. Manufacturing, the industry which suffered large job losses during the recession, will experience only a 13% growth rate during 1993-2005. This low growth rate is reflective of California's shift from a manufacturing-based economy to a service-based economy. Retail trade employment is not expected to grow as fast as other industries although recently both wholesale and retail trade employment have increased substantially.

The largest growth sector is expected to be services. There are a wide variety of industries that will make up this growth area and should account for almost one-half of the projected job growth in California over the next decade. Health services, business services, engineering, accounting, research and management, and social services collectively should account for about 70% of all new jobs. While health services has been the largest single service growth sector, the business services sector is expected to outdistance the health services sector by the turn of the century. Business services such as personnel help supply will grow as more firms contract for temporary workers instead of making permanent hires. The rapid technological advances and the trend toward office automation will drive the demand for computer and data processing services. Health care will continue to grow as the needs of the aging population increase.

With respect to the transportation and real estate industries, some of the African American and white non-Hispanic welfare respondents indicated having worked in these industries. Transportation, particularly in trucking and warehousing, is expected to grow by 35.8% during 1993-2005. Because California is a popular tourist destination for international visitors, air transportation is also expected to increase job opportunities. The real estate, finance, and insurance industries will experience growth by approximately 25% in total.

Government employment is expected to increase by only a small margin. Over one-half of the state and local government employment growth will be in the field of education. Because of the growing population in California and the need to educate children, it is anticipated that education will account for about two-thirds of all new jobs in the state and local government and about 54% of all public sector growth.

### **Skills Needed**

The job growth shows a great demand for high level skilled employees. However, the California Employment Development Department projects that at least 40% of the new jobs will be in low-wage entry level employment. The service industry will probably be a major employer of many of the welfare recipients. Many Latinos may fare

less well in markets that require English speaking ability or more education. The key will be the level of skills, experience or training needed for the positions that will become available.

Besides welfare recipients there are other low income job seekers. Unemployment rates, however, for segments of the population most likely to be affected by welfare reform are much higher than for the state as a whole. Although the national unemployment rate is relatively low, it is much higher among low-income individuals. Bernstein<sup>13</sup> reports that despite the low levels of unemployment in the United States for the past few years, unemployment and underemployment<sup>14</sup> rates remain quite high for individuals most likely to be affected by welfare reform--single mothers under age 35 who have at most a high school education (48% of welfare recipients). For example, in 1996, the unemployment rate for women with less than a high school degree was 18.2. Black and Hispanic women also had high unemployment rate, 10.7% and 12.3% respectively. Women between the ages of 16 and 25 were also more likely to lack a job (13.6% unemployment rate). The underemployment rate of women with less than a high school degree was 31%, for Black women it is 18.9%, and for Hispanic women it is 22%.<sup>15</sup>

In 1996, women and men of color under 35 years of age with a high school education or less faced unemployment rates of three to four times the national average. Among white women with a high school education the unemployment rate was 4%, Hispanic and African American women with the same characteristics experienced unemployment rates of 9% and 11% respectively. The average unemployment rate for all women with less than a high school education was 14 %; for African American women the figure was 21%, nearly four times the national average. In addition, the underemployment rate was roughly twice the unemployment rate for each group.

## **But Are Jobs Enough?**

California has been adding jobs at a faster pace than the rest of the country and is quickly closing the unemployment rate gap. It shows the strength of the underlying economy. The expansion is spread across a wide range of industries. UCLA's Anderson Business Forecast projects that California will add more than 400,000 jobs in 1997 alone, particularly in the entertainment, high technology, manufacturing and services industries.<sup>16</sup> While about 40% of the job growth rate will occur in occupations that do not require high levels of education and training, and will require short term to moderate on the job training, the other 60% will require long term on the job training, work experience in the occupation or related occupation, or advanced education beyond high school.<sup>17</sup> The data suggest that the job growth in California projected at its current rate will provide sufficient jobs at entry level for job seekers at about minimum wage.

Thus, the question as to whether there will be enough jobs for welfare recipients who are able to work, the answer is probably “yes”. The cautionary note, of course, is that it depends on whether the economy continues on its favorable growth pattern and assumes that California does not experience another recession. Most welfare recipients will be able to obtain jobs that require no more than short-term on-the-job training based on their general background. However, some recipients will need the 18-24 months to prepare for the job search.

Table 4 demonstrates the top ten fastest growing occupations in California. The table shows that of the ten occupations listed, eight pay such low wages that even with the legal minimum wage increase, they will not raise a single mother with two children out of poverty. For many, the wages from full time work would fail to cover basic necessities. Among the jobs expected to experience the greatest growth that would pay more than \$10 per hour, three require advance educational training and higher education. Occupations in the retail, restaurant, and health care job sectors are experiencing high growth and are providing many of the entry-level jobs for both welfare and non-welfare job-seekers. But jobs in these sectors typically pay minimum wage, are part-time, temporary or contracted, and provide no health benefits. Blank<sup>18</sup> indicates that low-skill jobs are not disappearing in the U.S. labor market, but are being reconfigured into low-paying positions with little opportunity for advancement. Thus women in the low-skill labor markets will continue to experience low pay, no benefits, and high turnover.

What income is needed to live at a basic level in California for a single mother with two children? Table 5 suggests that an hourly wage of approximately \$11 is required to maintain a bare bones existence including minimal medical and transportation services, and child care. Clearly a minimum wage job will not be sufficient to raise a single parent with two children out of poverty. Rather it will add that family to the ranks of the working poor. And for many recipients a job paying even minimum wage will not be available.

## **Summary**

The welfare recipient pool suggests that the most employable recipients will be those who have a recent job history and have the shortest time on the welfare rolls. As recipients move off the rolls, they will probably only earn enough on jobs to force a reduction in their cash assistance, although not enough to end their welfare dependence.

A recent Maryland study showed that those who left the rolls first found jobs largely in the low-paying wholesale and retail industries. While most were

able to remain at these jobs for at least six months, 17.3% who left returned to aid within the six months. Of those who remained employed 39.2% were employed as waiters or waitresses and clerks in department store and supermarkets and 22.1% were in temporary and clerical work. Few were earning a living wage. Their data showed that the typical welfare leaver was a 30 year old African American female with a single child. She had less than two years on the rolls and a recent history of work experience.<sup>19</sup>

During the past three to six months, 140,000 recipients left welfare. State welfare outlays dropped by 23%, however these recipients are not earning enough on jobs to end their dependence altogether. This first wave of job obtainers represent the most employable group.<sup>20</sup> Therefore, there are jobs and there are welfare recipients who can readily move into those jobs, although the jobs may be less than full time or at a wage that will not allow a family to be self-sufficient. Even with an average wage of \$6.70/hour, a family of three will still be at 115% of the poverty line. Wages are even lower in jobs not requiring a high school diploma. Most of the jobs will have no benefits or restricted benefits insufficient for the needs of a family. Many of the jobs available in the low skill market provide only limited financial security. These jobs tend to limit access to further education and training or long term opportunities for financial security and job growth. While the economy is growing the fastest job growth and wage growth is primarily in sectors with occupations that require higher education and training.

There are costs to working that must be considered. These include child care, transportation, appropriate work clothing, and other dependent care. Wages earned offer minimal material gain when compared to the costs of these responsibilities. There is generally a lack of flexible work schedules or leave arrangements that would allow recipients (employees) to manage home life. Edin and Lein<sup>21</sup> estimate that the average mother leaving welfare for full-time work would still experience at least a 33% gap between earnings and basic expenses.

All of these are factors that make just having a job not sufficient in a variety of ways. The most important of these, of course, is the wage and benefits that will be needed to effectively end welfare for the recipient and increase her/his ability to be self-sufficient.

## **Policy Recommendations**

To improve opportunities for welfare families so that they can become self-sufficient, additional policies must be implemented to insure that welfare reform time limits do not act as a mechanism for increasing the ranks of the poor and

homeless. Many of the policies to be considered are currently available but need to be expanded and fully funded to include the appropriate population. For example,

1. Earned Income Tax Credit (EITC)

Expand the earned income tax credit at the federal level and encourage employer provided tax credits. Institute EITC at the state tax level.

2. Minimum Wage

Increase the minimum wage at the federal level. Evaluate the possibility of instituting a living wage throughout the state as a minimum wage.

3. Unemployment Insurance

Expand unemployment insurance so that it covers more jobs, especially those that are low wage and have high turnover.

4. Increase programs and funding for supportive services, such as:

a) Education and job training

To move beyond low-wage, low skilled jobs, recipients need more education and targeted training in occupations that will lead to higher paid job opportunities (e.g. computer skills).

b) Medical Care

Expand the funding and time eligible for medical care under Medi-Cal. Retain families on transitional medical care until they are able to obtain it from their employer.

c) Child Care and Dependent Care

Expand eligibility and raise the per child standard for child care. Add funding for care of elders, disabled spouse, or other dependent residing in the household.

d) Transportation and Clothing

Include provisions for other essentials such as transportation costs and work clothing.

All of these approaches involve costs. "Ending welfare as we know it" is expensive.

## Endnotes

1. Joel F. Handler and Yeheskel Hasenfeld. *The Moral Construction of Poverty: Welfare Reform in America*. Newbury Park, CA: Sage Publications, 1991.
2. Bruce Jansson, *The Reluctant Welfare State: A History of American Social Welfare Policies*, (2<sup>nd</sup> ed.), Brooks/Cole Publishing Co.: Pacific Grove, CA, 1993.
3. Ibid.
4. Winifred Bell. *Contemporary Social Welfare*, NY: Macmillan Publishing, 1987.
5. See Handler and Hasenfeld, 1991.
6. P.L. Szanton, "The Remarkable 'Quango': Knowledge, Politics and Welfare Reform", *Journal of Policy Analysis and Management*, 1991, 10(4), 590-602.
7. The 1962 amendments included Section 1115 that allowed states to develop demonstration programs to experiment with elements of the AFDC programs as long as the program was cost neutral annually and welfare recipients did not receive less than they did on the regular program. Clinton relaxed the cost neutrality rules and streamlined the application process to encourage innovation by states.
8. States can exempt 20% of their caseloads. Refugees will be exempt for five years after receiving AFDC and TANF implementation. Other groups are noted in the legislation such as asylees.
9. Work Activities means unsubsidized employment; subsidized private sector employment; subsidized public sector employment; work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available; on-the-job training; job search and job readiness assistance; community service programs; vocational educational training (not to exceed 12 months with respect to any individual); job skills training directly related to employment; education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; satisfactory attendance

at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; and the provision of child care services to an individual who is participating in a community service program. (PRWORA, Title I, Sec. 407).

10. *California Work Pays Demonstration Project*, California Department of Social Services, Principal Investigator, Rosina M Becerra.

11. State of California, Employment Development Department, Labor Market Information Division, Information Services Group. "California Industry Projections: Industry Employment Trends and Outlook, 1993-2005". (September 6, 1996).

13. Jared Bernstein. *The Challenge of Moving from Welfare to Work: Depressed Labor Markets Awaits Those Leaving Rolls*. EPI Issue Brief #116. Washington, D.C.: Economic Policy Institute.

14. People who looked for work in the past year but remain unemployed, discouraged from job-seeking, or constrained from job-seeking by problems such as transportation or child care, or have settled for part-time jobs after failing to find full-time jobs.

15. Drawn from the California Budget Project's Budget Brief, "Are there enough Jobs for all those who must work?", May, 1997, pg. 2.

16. UCLA Anderson Forecasting Project, *The UCLA Anderson Forecast*, September 1997.

17. US Department of Labor, *Occupational Projections and Training Data*, January. 1996.

18. Rebecca Blank. *Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs*. Urban Institute Conference, "Self-Sufficiency and the Low-Wage Labor Market: A Reality Check for Welfare Reform", March, 1994.

19. Melissa Healy, "Ex-Welfare Recipients Get Jobs Quickly, Study Finds", LA Times, October 1, 1997, pg. A5.

20. *LA Times* Editorials, "Welfare Decline is Good News", October 13, 1997, page B4.

21. Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low Wage Work*. New York: Russell Sage Foundation, 1997.

**Table 1: AFDC Recipients in California**

Aid Type	# of Cases	# of Recipients	# of Adults	# of Children
FG (Single parent)	703,571	1,895,834	544,783	1,351,051
U (Two parent)	150,916	618,136	230,117	388,019
Total	854,481	2,513,970	774,900	1,739,070

*Source: California Department of Social Services, Nov. 1996*



**Table 2: Characteristics of Welfare Recipients**

	African American (N=90,798)	White non Hispanic (N=62,722)	Latino (N=153,600)	Other (N=12,191)	TOTAL (N=319,311)
<b><u>Bckgrd.</u></b>					
Mean Age	34.1	33.3	32.7	32.4	33.3
Mean Ed	11.9	11.8	8.7	11.5	10.3
%Married (% Nvr. Married)	9.7 (62.7)	18.7 (32.8)	19.2 (43.8)	20.8 (39.3)	16.5 (46.8)
Mean # of Children	2.4	2.1	2.9	2.4	2.6
<b><u>Health</u></b>					
Fair/Poor	43.4	33.5	52.9	28.8	45.3
Limiting Health (R)	32.1	26.1	18.4	27.6	24.2
Limiting Health (child)	23.8	18.3	14.6	10.3	17.9
<b>%Foreign Born</b>	Not Known	Not Known	60.5	11.0	34.9
<b><u>Aid Patterns</u></b>					
% on aid continuous	50.5	43.8	62.3	53.7	55.0
Mean Age started aid	24.0	25.3	26.6	25.6	25.3
<b><u>Work History</u></b>					
% Working	17.1	22.8	16.5	19.0	18.1
% Never worked	10.1	4.6	11.2	9.3	11.8

R=respondent, C=child

"Other" includes Asian, American Indian, and others not identifying as one of the other three categories

**Table 3: Occupation and industry of Welfare Recipients by race/ethnicity**

	<i>African American</i>	<i>White non- Hispanic</i>	<i>Latino</i>	<i>Other</i>	<i>Total</i>
<i>Occupation (most recent or current)</i>					
Services	41.2	34.0	33.1	26.1	35.3
Sales/clerical	37.7	44.9	26.3	45.7	34.2
Operators	4.4	4.9	24.9	7.5	14.2
Laborers	6.4	3.8	7.5	3.2	6.2
Managers/professional	7.0	8.7	2.5	7.8	5.3
Craftsmen	2.4	3.3	2.6	9.8	3.0
Farming	0.8	0.5	3.1	0	1.8
Total sample	80,261	59,593	131,328	9,788	282,335
<i>Industry</i>					
Retail Trade	25.4	39.9	22.1	45.0	27.6
Professional/related service	33.5	18.5	17.2	22.2	22.3
Construction/ Manufacturing	8.7	10.6	31.8	11.9	20.1
Personal Services	5.3	6.2	13.2	7.5	9.3
Business/Repair	9.0	8.7	5.1	5.2	6.9
Transportation/Communicate.	8.9	4.6	3.1	2.9	5.0
Finance/Insure/ Real Estate	2.5	5.4	3.4	1.3	3.5
Agriculture	0.4	0.4	2.7	1.6	1.5
Public Administration	3.7	1.2	0.1	2.4	1.4
Entertain./Recreation services	1.8	1.8	0.9	0	1.3
Wholesale Trade	0.7	2.7	0.4	0	1.0
Total sample	78,979	57,525	130,502	9,597	277,968

**Table 4: The Fastest Growing Occupations in California and their Requirements**

Occupation	Job Growth 1993-2005	Median Hourly Pay (1995)	Pay Reflected For this County	Required Training/Education
Waiter/waitress	109,830	\$4.25	Riverside	Short-term on-the-job training
General Managers	104,560	\$13.62	Merced	Work Exper. + BA or more
Salesperson, Retail (non-vehicle)	104,560	\$5.50	San Francisco	Short-term on-the-job training
Cashiers	75,030	\$5.00	San Diego	Short-term on-the-job training
General Office Clerks	64,100	\$6.00	Riverside	Short-term on-the-job training
Instructional Aides	61,380	\$8.00	Santa Clara	Short-term on-the-job training
Secretaries, General	59,290	\$9.00	Sacramento/ Yolo	Postsecondary vocational training
Receptionists	57,540	\$8.00	San Francisco	Short term on-the-job training
Food Prep Workers	55,960	\$5.00	San Mateo	Short term on-the-job training
Registered Nurses	45,930	\$16.72	Sacramento/ Yolo	Associate Degree

*Source: California Budget Project,*

*Employment Development Department (EDD) and Bureau of Labor Statistics*

*Wage level prior to minimum wage increase.*

*Short-term on-the-job training: occupations in which workers can achieve average job performance in just a few days or weeks by working with and observing experienced employees and asking questions (EDD, Presentation to Senate Welfare Reform group, March 17, 1997).*

**Table 5: Welfare to Work Income Needs of the Average AFDC Family—Single Parent with Two Children**

	Monthly Costs	Annual Costs
Basic Living Costs	\$2,353	\$28,241
Bare Bones” Barely getting by (\$11/hr.)	\$1,784	\$21,413
Minimum Wage @ \$5.75/hr, f full time work, includes EITC and payroll tax.	\$1,201	\$14,408
AFDC includes Cash Assistance + Food Stamps + Medi- Cal @ about \$594	About \$1,060	About \$12,728

*Source: California Budget Project, November 1966 and WORC Force (Kathleen Connell), Dec. 1996*